

AMENDED IN ASSEMBLY APRIL 21, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1992

Introduced by Assembly Member Quirk

February 20, 2014

An act to add Section 38568 to the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 1992, as amended, Quirk. California Global Warming Solutions Act of 2006: very low carbon-liquid transportation fuels.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit to be achieved by 2020 equivalent to the statewide greenhouse gas emissions levels of 1990. The state board additionally is required to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions. Pursuant to the act, the state board has adopted the Low-Carbon Fuel Standard regulations.

This bill would authorize the state board to establish a very low carbon fuel market commitment program that requires wholesalers, producers, importers, or any other entity that provides-liquid transportation fuel to a retailer or sells-liquid transportation fuel to a consumer to-sell-very low carbon-liquid transportation fuel, as defined, up to a specified percentage not to exceed 2% of their fuel sales in the state. The bill

~~would authorize the state board to declare this authorization inoperative 5 years after achieving the 2% objective and would require the state board to notify the Secretary of State of that determination. include as part of their transportation fuel sales in the state percentages of very low carbon transportation fuel, as defined, to be determined by the state board. These provisions would become inoperative 5 years after the state board makes a specified notification to the Secretary of State.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) ~~Low-carbon-liquid~~ transportation fuels are an important
4 element of the state's greenhouse gas reduction policy and
5 increasing the supply of those fuels will help the state achieve its
6 greenhouse gas reduction goals.

7 (b) Existing incentives for the development of ~~low-carbon-liquid~~
8 transportation fuels, including the Low-Carbon Fuel Standard
9 regulation (Subarticle 7 (commencing with Section 95480) of
10 Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17
11 of the California Code of Regulations), the California Global
12 Warming Solutions Act of 2006 (Division 25.5 (commencing with
13 Section 38500) of the Health and Safety Code), and ~~AB Assembly~~
14 *Bill 118* (Chapter 750 of the Statutes of 2007), have not resulted
15 in sufficient development of ~~low-carbon-liquid~~ transportation fuels.

16 SEC. 2. Section 38568 is added to the Health and Safety Code,
17 to read:

18 38568. (a) For purposes of this section, the following terms
19 have the following meanings:

20 (1) "Indirect land use change emission" means the carbon
21 emissions associated with changes in agricultural activity that
22 result from the market-mediated effects of using an agricultural
23 commodity that is a food product as feedstock for the production
24 of the ~~liquid~~ transportation fuel.

25 (2) "Very low carbon ~~liquid~~ transportation fuel" means a liquid
26 *or gaseous* transportation fuel having no greater than 50 percent
27 the carbon intensity of the closest comparable petroleum fuel for
28 that year, as measured by the methodology in the Low-Carbon

Fuel Standard regulation (Subarticle 7 (commencing with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations). The carbon intensity for the liquid transportation fuel shall include the indirect land use change emission if an agricultural commodity that is a food product is used as a feedstock for the production of the liquid transportation fuel.

(b) The state board may establish a very low carbon fuel market commitment program that requires a wholesaler, producer, importer, or any other entity that provides liquid transportation fuel to a retailer or sells liquid transportation fuel to a consumer to include ~~no less than one-quarter of one percent, as measured in energy equivalent units, with a cap of no more than two percent as part of its transportation fuel sales in the state~~ percentages of very low carbon liquid transportation fuel as part of its fuel sales in the state, to be determined by the state board and measured in energy equivalent units. The state board may require percentages of very low carbon transportation fuel as low as one-quarter of 1 percent or as high as 2 percent.

(c) When ~~the state board determines that~~ very low carbon liquid transportation fuel sales ~~reach two~~ have reached 2 percent of all liquid transportation fuel sales in the state, ~~as specified in subdivision (b), the state board shall notify the Secretary of State that and~~ this section shall be inoperative five years from that notification.